

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
STATE OF WYOMING
MEMORANDUM OF AGREEMENT

1. OFFICIAL DESIGNATION: Pinedale Anticline Project Office (PAPO)

2. BACKGROUND: The Pinedale Anticline Project (PAPA) consists of approximately 198,000 acres located in Sublette County, Wyoming, near the town of Pinedale. There are currently more than 750 producing wells in the PAPA on approximately 345 well pads. The BLM administers the federal land and mineral estate that comprises approximately 80% of the 380-square mile PAPA. State trust lands, under the jurisdiction of the State of Wyoming Board of Land Commissioners, comprise approximately 5.57% of the surface estate and 8.01% of the mineral estate. Sagebrush communities dominate the PAPA with shrub-steppe vegetation blending into riparian areas and wetland areas of the New Fork River and Green River flood plains. The majority of the private land within the PAPA is located along these rivers.

3. PURPOSE: The PAPO will provide the necessary services for implementation, monitoring, and other activities required in accordance with the Final Supplemental Environmental Impact Statement Record of Decision (ROD) for the PAPA. Due to the large amount of monitoring and reporting that is anticipated, the ROD establishes the PAPO to obtain, collect, store, and distribute monitoring information to support adaptive management and analyze mitigation projects. In addition, the PAPO will provide oversight of monitoring and mitigation (onsite and offsite) activities discussed in the ROD.

4. PAPO DUTIES:

The primary duties of the PAPO include the following:

- Oversee the selection and effectiveness of offsite mitigation
- Inspect, monitor, and verify compliance on surface reclamation
- Ensure compliance with the Wyoming Department of Environmental Quality (DEQ) Air Quality and Water Quality rules and regulations
- Monitor wildlife populations as outlined in the Wildlife Mitigation Matrix, Appendix B of the ROD.
- Assure habitat reclamation
- Validate, coordinate and oversee monitoring
- Coordinate transportation planning
- Provide information regarding impacts, monitoring data, and mitigation success to the respective agencies and the public
- Assure compliance with Department of Agriculture rules and regulations.

Any tasks assigned to the employees or contractors of the PAPO outside the primary duties would be supported by funds other than those described below in paragraph 10. The BLM will maintain the lease for any office space needed for the PAPO.

Public and interagency reporting of resource conditions will occur on a regular basis. From time to time, the PAPO may meet with interested citizens to discuss ongoing and anticipated mitigation and monitoring.

It is anticipated that the PAPO and the Pinedale Anticline Working Group (PAWG), and its task groups, will share information. Any PAWG-generated recommendations will be in compliance with the Federal Advisory Committee Act.

The BLM PAPO coordinator will draft and submit to the Pinedale Anticline Monitoring and Mitigation Board for approval an administrative operating plan that will prescribe standard office procedures. These standard procedures will include procedures for disbursement of funds, timing of funding requests and procedures for reporting to the

Pinedale Anticline Mitigation Management Board. This initial report is due within 3 months of the ROD. Upon approval, these procedures will become an attachment to this Memorandum.

5. PROJECT OFFICE COMPOSITION: The PAPO will be staffed by full-time employees or contractors of the Bureau of Land Management, the Wyoming Department of Agriculture, the Wyoming Game and Fish Department, and the Wyoming Department of Environmental Quality. Each office staff member will report to his or her agency management. All personnel will have primary duties related to the implementation or support of monitoring and environmental compliance and permitting, focusing on, but not limited to air, water, wildlife, and reclamation monitoring of on-site and designated off-site mitigation related to PAPA development. Provisions will be made to ensure PAPO employees or contractors act only pursuant to appropriately delegated authority.

6. TERMINATION DATE: The cooperators anticipate that a need for an expanded personnel presence in the vicinity of the PAPA will continue to exist for at least the next 25 years. Periodically, the interagency staff will meet to review the PAPO staffing needs and need of the individual staff positions.

7. PAPO MANAGEMENT:

PAPO Coordinator
Bureau of Land Management
Department of the Interior
1625 West Pine Street
P.O. Box 1708
Pinedale, Wyoming 82941

8. ADMINISTRATIVE SUPPORT: Funding for administrative support of the PAPO will be provided by the Pinedale Anticline Monitoring and Mitigation Fund. This will include equipment and operational expenses such as phones, supplies, computer support, etc.

9. ESTIMATED ANNUAL COST: The PAPO will require approximately 650,000 dollars annually for all personnel, support and office costs. That estimate includes the present anticipated costs of the following:

- Initial staffing for the office
- Office space rental
- Computers, software, furniture, technical support and vehicles

Costs may change in the future.

10. CHARTER MEMBERS: PINEDALE ANTICLINE MITIGATION MANAGEMENT BOARD (PAMMB): This MOA establishes the PAMMB to provide stewardship of the Fund. The PAMMB will generate, approve, and fund appropriate project proposals.

- Wyoming Department of Agriculture
- Wyoming Game and Fish Department
- Wyoming Department of Environmental Quality
- Sublette County Commissioner appointed by the governor
- U.S. Department of the Interior, Bureau of Land Management

11. FUNDING FOR MONITORING AND MITIGATION ACTIVITIES:

The PAPO will oversee PAPA-related monitoring and mitigation activities on Federal and non-Federal land. These activities will be funded by the Monitoring and Mitigation Fund (The "Fund") discussed at section 2.9 of the ROD. When the monitoring and mitigation activities occur on Federal land, the Fund will distribute the necessary monies to the BLM where it will be administered through the BLM's contributed funds account pursuant to the requirements of the Federal Land Policy Management Act. When the monitoring and mitigation activities occur on non BLM or non-Federal land, the Fund will distribute the necessary monies directly to the service providers carrying out the activities at the direction of the Pinedale Anticline Monitoring and Mitigation Board (the "Board").

The Board will not direct the statutorily authorized activities of the governmental entities, including staffing decision. Members of the PAPO will conduct oversight regarding such activities, as appropriate, pursuant to the statutory, regulatory, and programmatic goals of their employing agencies.

12. THE AGENCY MANAGERS COMMITTEE: The Agency Managers Committee will consist of the agency heads or representative from the agencies listed in paragraph 5 of this memorandum. At least once per year the Agency Managers committee and a single member of each of the oil and gas industry proponents contributing to the Pinedale Anticline Monitoring and Mitigation Fund will meet to review progress.

The Agency Managers Committee will also provide the senior management direction and guidance to the Project Office. For the initial period, this would include:

- 1) Establish the initial mitigation and monitoring program for air, water, and wildlife,
- 2) Selection and utilization of appropriate software or reporting standards to insure that all data collected would be stored and utilized in meeting the monitoring commitments contained in the PAPA SEIS ROD,
- 3) Coordination and tracking of ongoing research being conducted in the area to provide advice and recommendations on environmental monitoring and needed science to document the effects of energy development, and
- 4) Reporting and sharing information with the PAWG.

The Agency Managers Committee will also provide such other guidance and direction to the Project Office as it deems advisable.

12. AUTHORITY: The establishment of the PAPO is in the public interest in connection with the duties and responsibilities delegated to the BLM by the Secretary of the United States Department of the Interior in managing the public lands under section 307(b) of the Federal Land Policy and Management Act of 1976, 43 USC §1737 (b). The State of Wyoming is empowered to enter into this agreement under Wyoming Statute Section 16-1-101.

13. GENERAL PROVISIONS: Nothing in this Memorandum of Agreement shall change the responsibilities or negotiated agreements of the BLM, any state agency, the Governor of Wyoming, or Sublette County relating to dealing with impacts of development in southwest Wyoming.

- A. AMENDMENTS. Any changes, modifications, revisions or amendments to this MOA which are mutually agreed upon by and between the parties to this MOA shall be incorporated by written instrument, executed and signed by all parties to this moa.
- B. SOVEREIGN IMMUNITY. Neither the BLM, nor the State of Wyoming waive sovereign immunity by entering into this MOA and specifically retain immunity and all defenses available to them as sovereigns pursuant to federal and state law.
- C. TERMINATION OF MOA. This MOA may be terminated by either party at any time, with or without cause.
- D. THIRD PARTY BENEFICIARY RIGHTS. The parties do not intend to create in any other individual or entity the status of third party beneficiary, and this MOA shall not be construed so as to create such status. The rights, duties and obligations contained in this MOA shall operate only between the parties to this MOA, and shall inure solely to the benefit of the parties to this MOA. The provisions of this MOA are intended only to assist the parties in determining and performing their obligations under this MOA.
- E. TITLES NOT CONTROLLING. Titles of paragraphs are for reference only, and shall not be used to construe the language in this MOA.
- F. WAIVER. The waiver of any breach of any term or condition in this MOA shall not be deemed a waiver of any prior or subsequent breach.

PINEDALE ANTICLINE PROJECT OFFICE CHARTER MEMBERS

FOR THE WYOMING DEPARTMENT OF AGRICULTURE:

BY: Jason Farnsworth for John Etchepare

DATE SIGNED: 12/1/08

FOR THE WYOMING GAME AND FISH DEPARTMENT:

BY: Steve K. Finner

DATE SIGNED: 12/1/08

FOR THE WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY:

BY: John Burr

DATE SIGNED: 12/1/08

FOR THE WYOMING ATTORNEY GENERAL (AS TO FORM):

BY: C. J. [Signature]

DATE SIGNED: 12/1/08

FOR THE SUBLETTE COUNTY COMMISSION:

BY: William W. Cramer

DATE SIGNED: 12-3-08

FOR THE UNITED STATES DEPARTMENT OF INTERIOR/BUREAU OF LAND MANAGEMENT:

BY: Ronald A. Spier

DATE SIGNED: 12/8/08